

**Press
RELEASE**



The Financial Market Commission and the Superintendence of Banks and Financial Institutions agree on joint work for the integration process

November 13, 2018.- The Financial Market Commission (CMF) and the Superintendence of Banks and Financial Institutions (SBIF) began last Thursday, November 8, the joint preparatory work that will result in the integration of both supervisory entities. This joint effort takes place in the preparation for the enactment of the Bill to Modernize Banking Legislation, approved by the Congress and currently under review by the Constitutional Court of Chile.

Both entities agreed and defined the establishment of a joint work plan, granting the strategic decisions to a Directing Committee and the operative aspects of the integration to a Task Force.

The Directing Committee is led by SBIF Superintendent Mario Farren and the Council of the CMF, chaired by Joaquín Cortez. It is also composed of directors from both entities. The purpose of this Committee is to define the central guidelines of the integration process, ensuring absolute continuity of financial supervision and regulation. A first strategic decision of the Committee was to determine that stage one of the integration should introduce the minimum changes necessary in both institutions to ensure continuity. It leaves for subsequent stages the definition of major changes that allow full implementation of an integrated supervision model.

On the other hand, the Task Force shall create the inputs for the Directing Committee to adopt decisions and identify the critical aspects to ensure operational continuity for the day the integration materializes. This is with the aim to safeguard key elements of the process, such as staff and support areas.

It is worth mentioning that the process will be carried out preserving the full independence of both entities, which remain in the exercise of their functions and attributions until the day on which the integration formally will take place.

The Bill that Modernizes Banking Legislation states that, after its publication, the respective presidential decrees through which the integration materializes will

be issued. Therefore, the CMF will undertake the functions and competencies of the SBIF within a maximum of one year after said publication.

Subsequently, there is an 18-month period for the Council of the CMF to issue the set of rules necessary to implement the Basel III regulatory standards.

"This is a great moment that will allow us to establish the teams and the confidence for the great work that integration implies. The SBIF will no longer exist as such, but banking supervision is maintained and strengthened," said Superintendent Mario Farren.

For his part, CMF Chairman Joaquín Cortez added that "the objective of this process is to adequately plan the transition to an integrated supervisory model, which allows for greater cohesion and stability in regulatory policies, and a global perspective in the supervision of the financial sector."